

CANADA PLANS FOR  
\$150,000,000 LOANDominion Banks to Put New  
Series of Credits in  
Operation.

TO RESTRAIN CUSTOMERS

Freight Rates on Certain Lines  
to Be Raised to Harmonize  
With U. S. Schedule.

Special Despatch to The Sun.

Toronto, Canada, July 8.—The Canadian banks this month commence to put in operation the new series of credits for the Dominion Government, arrangements for which were made a short time ago. Each month the Finance Minister receives a loan from the banks of a certain amount, the loans being based on the Government's short term notes. It is generally believed that the notes resemble the United States Government's short term certificates of indebtedness in that they are in anticipation of the war loan flotation and repayable out of proceeds of the same. The amount to be advanced by the banks has not been officially stated, but the current impression is that the loans will reach \$150,000,000.

Although the bank statement for May 31, issued in the last week of June, showed the mercantile loans and discounts in Canada to have increased \$35,000,000 in the preceding three months—the increase for May being nearly \$14,000,000—present indications are that during the remainder of the year discounts and advances to customers engaged in non-essential industries will be carefully regulated, and that credits to other customers will be kept down to what they absolutely must have. This policy is necessitated by the prospective increase of the banks' loans to the Government. Although Canadian banking institutions have maintained their strength in liquid assets they cannot thus place so large a sum as \$150,000,000 at the disposal of the public treasury without cutting down to some extent the volume of their loans to ordinary customers.

Federal Reserve Circular.

A circular letter despatched a few days ago to all bank branches in Canada by E. L. Pease, president of the Canadian Bankers Association, affords a justification of the growing intimacy of the American and Canadian financial systems. In order to impress upon the bankers the importance of the points referred to in the preceding paragraph Mr. Pease made use of the statement recently issued by the Federal Reserve Board at Washington, in connection with the curtailment and conservation of banking credits due to the exigencies of the war. It is pointed out that "the Canadian banks, in cooperation with the Minister of Finance, have been for some time endeavoring to bring about the results aimed at by the Federal Reserve Board, but the state-

ment of that board now issued so clearly and comprehensively and on such practical lines sets out the duty of bankers in the present emergency, that a fresh consideration and a careful observance by Canadian bankers of these directions will materially aid in meeting the important obligations which the war has thrust upon us.

Transcontinental Freight Rates.

A partial reflection of the recent 25 per cent. all round increase in United States freight rates is seen in last week's order of the Dominion Board of Railway Commissioners, permitting the Canadian railways to increase their westbound transcontinental commodity rates from eastern Canada so as to make them at least equal with the rates in effect from the neighboring States of the Union. The new rates are to be effective August 1.

Discussing this increase a vice-president of the Canadian Pacific Railroad said in a newspaper interview that it has bearing on the general question of freight tariff increases, being simply made "to harmonize Canadian rates for transcontinental traffic with the charges from a business point of view the same on a parity and prevent any undue competition that might lead to rerouting of freight."

The general freight manager of the company stated that the increase would not have much effect upon the earning capacity of the Canadian Pacific Railroad. As the Pacific slope is not booming from a business point of view the shipments from Eastern Canada to the Pacific ports are light at present. Grand Trunk Pacific officials also stated that their company would not be importantly affected by the new ruling owing to the small amount of through traffic. Later the earnings of Canadian transcontinental lines may be favorably affected.

Freight and Wage Rates.

It is becoming clear that the Canadian Railway Board will eventually be obliged to take some action in regard to the inequalities created by Director-General McAdoo's general increase of 25 per cent. The railway employees in the Dominion do not appear to favor the plan of increased pay put in force in the United States. Increase of pay on that or some other plan they will likely get; but the general freight rate increase whether the West likes it or not. If a general all round increase of rates is allowed on this basis it will perhaps necessitate the abandonment or modification of the special taxation plan applied to Canadian Pacific when the 15 per cent. rate increase was inaugurated. That, considering it an unwise example of discriminating taxation.

\$7,750,000 NOTES OFFERING.

Kansas City Railway Issuing

Paper Through Syndicate.

An offering of \$7,750,000 of Kansas City Railway three year 7 per cent. collateral trust notes, Series A, is being made by a group of investment bankers consisting of Halsey, Stuart & Co., Continental and Commercial Trust and Savings Bank and Union Trust Company of Chicago and the New England National Bank of Kansas City.

The securities are offered at 98, at which they yield over 7 1/2 per cent. on the investment. The notes are secured by \$10,141,000 of first mortgage 6 per cent. bonds.

U. S. GIVES LEeway  
TO STOCK OWNERSMay Make Tax Returns on  
Purchase Price or Market  
Value Basis.

Special Despatch to The Sun.

WASHINGTON, July 8.—Perplexity as to whether stock holdings by dealers could be legally returned at the "purchase price" or "market value," which ever was lower, for income and excess profits tax purposes, has been set at rest by the Government.

It is made clear in a new Treasury decision today, the fourth issued, that the Attorney-General has held, in conformity with a Supreme Court decision covering the subject, that such returns are legal and proper. That conclusion is of great importance to brokers and other dealers in securities in New York and elsewhere, as it permits them to mark off losses on stocks which they have been compelled to hold because of no market or a disadvantageous market.

The decision follows: "As question has arisen as to the legality of the authorization by Treasury decision No. 2699 of returns for income and excess profits tax purposes upon the basis of inventories taken at cost or market value, whichever is lower, the matter was referred to the Attorney-General (see T. D. 2649). The Attorney-General has advised, upon the basis of a recent decision of the Supreme Court (Doyle vs. Mitchell Bros., decided May 20 last), that the methods of taking inventories authorized by Treasury decision No. 2699 are permissible.

Exports From New York.

Exports from New York yesterday included: Barley, bu., 90,252; flour, bbls., 114,112; cornmeal, bbls., 148; lard, lbs., 5,557,826; peas, bu., 6,100; beans, bu., 59,313; beef, bbls., 6,214; bacon, lbs., 2,037,009.

Exports from New York last week included: Wheat, bu., 28,645; barley, bu., 90,252; peas, bu., 23,642; rye flour, bbls., 119; cornmeal, bbls., 16,305; bran, lbs., 154,000; hay, bales, 7,623; oil cake, lbs., 848,574; lard, lbs., 10,644,456; cheese, lbs., 484,510; cottonseed oil, lbs., 1,068,578; turpentine, gals., 155,409; naphtha, gals., 13,385,411; corn, bu., 10,542; oats, bu., 130,107; beans, bu., 78,024; flour, bbls., 163,018; feed, bbls., 622,000; oatmeal, pkgs., 14,758; whiskey, gals., 2,605; oil meal, lbs., 120,800; beef, bbls., 11,225; bacon, lbs., 15,440,055; lard, lbs., 62,768; butter, lbs., 280,340; lubricating oil, gals., 2,962,346; rosin, bbls., 6,764; refined pet., gals., 15,156,451; gasoline, gals., 11,749,649.

Liverpool Cotton Market.

LIVERPOOL, July 8.—Cotton spot, quiet; prices firm; American middling fair, 23.75d.; good middling, 23.07d.; middling, 22.44d.; low middling, 21.91d.; good ordinary, 20.92d.; ordinary, 20.39d.; sales, 2,000 bales, including 1,700 American; receipts, 3,400; all American; futures closed irregular and unsettled.

## CHINO LEADS PORPHYRIES.

Output in June 700,000 Pounds  
More Than in May.

All of the porphyries with the exception of Ray Consolidated showed a substantial increase in the reports of their output for June compared with the previous month. Chino led the advance with an increase of more than 700,000 pounds during the month, the total output being 6,706,474, compared with 5,937,340 pounds in May.

Utah Copper was second with an increase of 300,000 pounds. This mine, the largest of the four, produced 18,500,000 in June, compared with 18,200,000 in May and 16,690,833 in April. Nevada Copper made a net gain of 250,000 pounds, having a total output of 1,250,000 pounds, against 7,000,000 in May and 6,900,000 in April.

Ray Consolidated alone was behind its previous month in the total of shipments, having only 7,735,555 pounds, whereas in May the output from this mine was 8,120,000 pounds.

U. S. EXPORTS TO RUSSIA.

Shipments During War Period

Amount to \$1,080,000,000.

Since the beginning of the European war the United States has exported to

Russia material to the value of \$1,080,000,000, according to figures compiled by the National City Bank of New York. Of this amount \$750,000,000 went to Archangel and Kola, the two Baltic ports, and \$332,000,000 to Vladivostok, the Pacific port.

At the outset all of the exports from this country went through the port of Archangel, which was connected with St. Petersburg and Moscow by rail. The business became too great for this port to handle alone after about seventeen months and then shipment was made to Vladivostok, from which port the materials were transported over 5,000 miles by rail to the commercial centers. Because of the vast amount of exports from America and other parts of the world the transportation facilities of Russia were taxed to the utmost and as a result great quantities of war materials piled up at the receiving ports, where some of them still remain.

SUGAR STOCKS.

	High	Low	Open	Close
Card Am. 15	20	19	19	19
Card Am. 16	20	19	19	19
Card Am. 17	20	19	19	19
Card Am. 18	20	19	19	19
Card Am. 19	20	19	19	19
Card Am. 20	20	19	19	19
Card Am. 21	20	19	19	19
Card Am. 22	20	19	19	19
Card Am. 23	20	19	19	19
Card Am. 24	20	19	19	19
Card Am. 25	20	19	19	19
Card Am. 26	20	19	19	19
Card Am. 27	20	19	19	19
Card Am. 28	20	19	19	19
Card Am. 29	20	19	19	19
Card Am. 30	20	19	19	19

Chart No. 735. Reserve District No. 2.

REPORT OF CONDITION OF

National Bank of Commerce  
in New York

at New York, in the State of New York, at the close of business on June 29th, 1918.

RESOURCES.

	Amount	Percentage
Loans and discounts	\$208,509,540.32	
Acceptances of other banks discounted	13,490,324.80	
Customers' liability account of acceptances of this bank purchased or discounted by it	630,408.01	
Total loans	\$222,630,273.13	

Deduct:

	Amount	Percentage
Acceptances of other banks payable at a future date guaranteed by this bank, by indorsement	\$6,101,150.01	
Foreign Bills of Exchange or Drafts sold with indorsement of this bank	8,113,607.72	
Total deduct	\$14,214,757.73	

Overdrafts, secured

	Amount	Percentage
Unsecured	13,900.91	
Secured	4,980.84	
Total overdrafts	18,881.75	

Customers' liability under letters of credit actually used and for which this bank has not been reimbursed

	Amount	Percentage
Customers' liability account of "acceptances" executed by this bank and now outstanding	\$37,546.20	
U. S. bonds	17,148,861.14	

U. S. bonds and certificates of indebtedness pledged to secure U. S. deposits

	Amount	Percentage
U. S. bonds and certificates of indebtedness owned and pledged	\$4,000,000.00	
U. S. bonds and certificates of indebtedness owned and pledged	\$10,610,877.18	
Liberty loan bonds	14,610,877.18	

Liberty loan bonds, 3 1/2 per cent. and 4 per cent., unpledged

	Amount	Percentage
Liberty loan bonds, 3 1/2 per cent. and 4 per cent., pledged to secure U. S. deposits	\$109,784.10	
Liberty loan bonds, 3 1/2 per cent. and 4 per cent., pledged to secure U. S. deposits	20,541,345.97	
Liberty loan bonds, 3 1/2 per cent. and 4 per cent., pledged to secure U. S. deposits	1,992,840.00	
Liberty loan bonds, 3 1/2 per cent. and 4 per cent., pledged to secure U. S. deposits or other obligations	100,000.00	
Total Liberty loan bonds	22,533,720.07	

Bonds, securities, etc.

	Amount	Percentage
Bonds other than U. S. bonds pledged to secure U. S. deposits	\$25,910,450.31	
Bonds and securities pledged as collateral for State or other deposits or bills payable	2,078,907.14	
Bonds loaned	44,848.94	
Collateral Trust and other notes of corporations issued for not less than ONE YEAR nor more than THREE YEARS' term	2,040,767.54	
Total bonds, securities, etc.	454,236.30	

Total Federal Reserve Bank

	Amount	Percentage
Stock of Federal Reserve Bank	30,526,208.49	
Banking house	1,200,000.00	
Reserve with Federal Reserve Bank	2,000,000.00	
Reserve with Federal Reserve Bank in process of collection	27,254,640.52	
Cash in vault and net amount due from national banks	2,209,234.68	
Net amounts due from banks, bankers, and trust companies	4,316,012.36	
Reserves and other assets	1,213,576.88	
Total	\$37,919,360.65	

Checks on banks located outside of city or town of reporting bank and other cash items

	Amount	Percentage
Checks on banks located outside of city or town of reporting bank and other cash items	167,998.80	
Redemption fund with U. S. Treasurer and due from U. S. Treasurer	8,000.00	
Interest earned but not collected—approximately	1,233,082.67	
War Savings Certificates and Thrift Stamps actually owned	603.80	
Total	\$408,068,151.67	

LIABILITIES.

	Amount	Percentage
Capital stock paid in	\$25,000,000.00	
Surplus fund	18,000,000.00	
Undivided profits	\$7,187,237.05	
Less current expenses, interest, and taxes paid	123.31	
Interest and discount collected or credited, in advance of maturity and not earned approximately	1,954,230.96	
Amounts reserved for taxes accrued	1,784,840.85	
Amounts reserved for all interest accrued	280,087.43	
Net amounts due to National banks	46,232,776.08	
Net amounts due to banks, bankers, and trust companies	112,220,146.60	
Total	\$109,452,912.93	

Demand deposits (other than bank deposits) subject to Reserve:

	Amount	Percentage
Individual deposits—subject to check	168,664,414.08	
Certificates of deposit due in less than 30 days	2,438,808.53	
Certified checks	5,468,184.91	
Cashier's checks outstanding	60,910,414.48	
Dividends unpaid	639,636.50	
Total demand deposits (other than bank deposits) subject to Reserve	\$187,192,744.48	

Time deposits subject to Reserve:

	Amount	Percentage
Certificates of deposit	445,312.50	
State, county, or municipal deposits secured by pledge of assets of this bank	500,000.00	
Postal savings deposits	1,900,679.76	
Other time deposits	1,212,984.23	
Total time deposits subject to Reserve	\$5,018,976.49	

United States deposits, other than bank deposits

	Amount	Percentage
War loan deposit account	32,279,434.01	
U. S. bonds loaned without furnishing collateral security for same	11,228,870.00	
U. S. bonds loaned with furnishing collateral security for same	11,104,720.00	
Cash Letters of Credit and Travelers' Checks outstanding	21,127.52	
Acceptances extended for customers	\$18,726,282.34	
Less acceptances of this bank purchased or discounted	930,604.01	
Total	17,845,877.83	

Liabilities other than those above stated

	Amount	Percentage
Liabilities other than those above stated	1,338,434.00	
Total	\$408,068,151.67	

Acceptances of other banks payable at future date guaranteed by this bank, by indorsement or otherwise

	Amount	Percentage
Acceptances of other banks payable at future date guaranteed by this bank, by indorsement or otherwise	6,101,150.01	
Foreign Bills of Exchange or Drafts sold with indorsement of this bank	8,113,607.72	
Total contingent liabilities	\$9,214,757.73	

State of New York, County of New York, ss:

I, R. W. SAUNDERS, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

Subscribed and sworn to before me this 6th day of July, 1918.

New York County No. 12, New York County Register No. 10,037.

Commission expires March 30, 1920.

Correct—Attest: CHAS. E. DUNLAP, S. P. SNYDER, THOS. WILLIAMS, Directors.

IDA ODER, Notary Public.

Central Union Trust Company

OF NEW YORK

80 Broadway — 54 Wall Street

Fifth Ave. at 60th St. Madison Ave. at 42nd St. Fifth Ave. at 38th St.

Statement of Condition at the Close of Business June 29, 1918.

RESOURCES.

	Amount	Percentage
Bonds & Mortgages	\$1,459,700.00	
Public Securities	38,621,856.12	
Other Securities	25,070,891.16	
Loans	141,100,724.53	
Real Estate	5,053,490.20	
Accrued Interest	1,450,114.01	
Customers' Liability on Acceptances (see Liabilities per Contra)	\$3,959,570.00	
Cash on Hand and in Banks	43,890,668.45	
Total	\$260,607,614.46	

LIABILITIES.

	Amount	Percentage
Capital Stock	\$12,500,000.00	
Surplus	15,000,000.00	
Undivided Profits	1,603,309.57	
Dividend payable July 1, 1918, charged to Profit and Loss and not included in this Statement	225,793.58	
Deposits	225,793.58	
Reserve for Taxes	462,495.44	
Accrued Interest	894,424.02	
Secretary's Checks	393,856.88	
Acceptances	\$3,959,570.00	
Total	\$260,607,614.46	

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